

BUYER'S GUIDE.



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PURCHASING A PROPERTY IS A PIVOTAL MOMENT IN SOMEONE'S LIFE.

NOT ONLY IS BUYING A HOME SOMETHING THAT IS DEEPLY INFLUENCED BY YOUR FINANCIAL SITUATION, BUT ALSO HOW IT WILL AFFECT YOUR FAMILY, LOVED ONES AND MOST IMPORTANTLY – YOURSELF. WHETHER IT IS AN INVESTMENT OPPORTUNITY OR YOUR FOREVER HOME, AT THE END OF THE EXPERIENCE YOU WILL HAVE BOTH AN INVESTMENT FOR THE FUTURE AND KEYS TO YOUR NEW HOUSE.

TAKE THE
FIRST FEW
STEPS
TOWARDS
YOUR NEW
FUTURE.

01

RESEARCH

DETERMINE YOUR
NON-NEGOTIABLES

02

INSPECTIONS

GET THE MOST OUT OF
HOUSE INSPECTIONS

03

FINANCE

TAKE THE CORRECT STEPS
TO SECURE YOUR FINANCES

04

BUYING

AUCTION TIPS AND THE
LEGAL PROCESS

RESEARCH.



MOST PEOPLE TURN TO THE INTERNET ONCE THEY HAVE MADE THE DECISION TO BUY A PROPERTY. YOU WILL FIND THAT THERE WILL BE A LOT OF INFORMATION TO SIFT THROUGH AND KNOWING WHAT YOU ARE LOOKING FOR WILL HELP YOU IN YOUR SEARCH. YOU MAY WANT TO CONSIDER:

— **LOCATION**

WHAT SUBURBS ARE YOU INTERESTED IN?

— **SURROUNDINGS**

SCHOOLS, SHOPS OR CAFES?

— **THE HOUSE ITSELF**

OPEN PLAN LIVING? UNDERCOVER PARKING?

FIGURING OUT WHAT YOU ARE LOOKING FOR IN A HOME WILL HELP NARROW DOWN YOUR OPTIONS.

INSPECTIONS.



ONCE YOU HAVE FIGURED OUT WHAT YOU ARE LOOKING FOR AND HAVE FOUND SOMETHING THAT HAS TAKEN YOUR INTEREST, YOU WILL HAVE TO SEE IT IN PERSON. MAKE SURE TO GO TO AS MANY OPEN INSPECTIONS AS YOU CAN! NOT ONLY WILL THIS GIVE YOU A FEEL FOR THE HOUSE AND THE PLACE YOU MIGHT CALL HOME, BUT IT ALSO GIVES YOU A CHANCE TO EXPLORE THE AREA. YOU WILL ALSO BE ABLE TO SCOPE OUT HOW MANY OTHER POTENTIAL BUYERS ARE INTERESTED.

FINANCE.



PURCHASING A HOME WILL LIKELY BE THE LARGEST INVESTMENT YOU WILL EVER HAVE TO MAKE, SO IT IS IMPORTANT THAT YOUR FINANCES ARE IN ORDER AND YOU CAN AFFORD THE PROPERTIES YOU ARE CONSIDERING.

HOW MUCH DOES IT COST TO BUY A PROPERTY?

DEPOSIT

GENERALLY, THE MORE DEPOSIT YOU PAY, THE MORE LIKELY YOU ARE TO GET A LOAN. ACCORDING TO THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION, A DEPOSIT OF 20% OF THE PURCHASE PRICE OF THE PROPERTY IS RECOMMENDED. THERE ARE SOME STATES THAT ONLY REQUIRE A 5% DEPOSIT BUT THAT WILL DEPEND ON YOUR LENDER, THEIR RULES AND ULTIMATELY YOUR FINANCIAL SITUATION.

OTHER COSTS

STAMP DUTY, LOAN ESTABLISHMENT FEES AND LEGAL FEES ALL VARY FROM STATE TO STATE BUT ARE COSTS YOU WILL ALSO HAVE TO CONSIDER. YOU MAY ALSO WANT TO PAY FOR A HOUSE INSPECTION TO DETERMINE IF THERE ARE ANY LIKELY HIDDEN COSTS TO PAY ONCE YOU HAVE SECURED THE PROPERTY.

YOUR HOME LOAN.

GIVEN JUST HOW EXPENSIVE AND OVERWHELMING THE DECISION TO PURCHASE A PROPERTY CAN BE, IT IS NO WONDER MANY AUSTRALIANS USE A BROKER WHO WILL WORK WITH THEM WITH THE END GOAL OF OWNING A HOME.

BROKERS

THE ROLE OF A MORTGAGE BROKER IS TO GIVE YOU AN UNBIASED VIEW OF A HUGE NUMBER OF POSSIBLE LOANS AVAILABLE FROM VARIOUS BANKS AND CREDIT UNIONS, BIG AND SMALL, TO DETERMINE THE ONE THAT BEST MATCHES YOUR GOALS AND FINANCIAL SITUATION.

YOUR BROKER WILL WORK WITH YOU TO MAKE SURE YOU HAVE THE BEST AND MOST COMPETITIVE LOAN AS WELL AS DEALING WITH REAL ESTATE AGENTS AND LEGAL REPRESENTATIVES SO SETTLEMENT GOES SMOOTHLY.

4 STEPS TO SECURING A HOME LOAN.

01 STARTING OFF

BY NOW YOU WILL HAVE A ROUGH ESTIMATE OF THE AMOUNT YOU WILL NEED TO SECURE REGARDING YOUR HOME LOAN. REMEMBER THAT YOUR LOAN WILL RELY HEAVILY ON WHAT YOUR DEPOSIT IS, AND IF THIS IS BELOW 20%, YOU MAY HAVE TO PAY LENDERS MORTGAGE INSURANCE, OR HAVE A GUARANTOR TO OFFER THEIR PROPERTY AS SECURITY.

02 BROKER

IT IS A GOOD IDEA TO HAVE A MEETING WITH YOUR BROKER AND FIND OUT EXACTLY HOW MUCH YOU WOULD BE ABLE TO BORROW BEFORE YOU START SERIOUSLY LOOKING AT ENTERING THE PROPERTY MARKET. THIS WILL GIVE YOU AN ACCURATE VIEW OF WHAT YOUR BORROWING CAPACITY WILL BE GIVEN YOUR FINANCIAL SITUATION. THEY WILL ALSO BE ABLE TO HIGHLIGHT ANY GOVERNMENT GRANTS OR SCHEMES YOU MIGHT BE ELIGIBLE FOR.

03 PRE-APPROVAL

YOU WILL FIND THAT WHETHER YOU ARE SUBMITTING AN OFFER TO A REAL ESTATE AGENT OR BIDDING AT AUCTION, PRE-APPROVAL WILL BE SOMETHING THAT WILL PUT YOU IN A MUCH STRONGER POSITION.

PRE-APPROVAL MEANS THE LENDER HAS GIVEN YOU THE GO AHEAD TO SPEND A CERTAIN AMOUNT OF MONEY ON SECURING YOUR PROPERTY.

04 LAST STEPS

ONCE YOU HAVE SECURED YOUR PROPERTY (AND BEFORE THE CHAMPAGNE STARTS FLOWING), YOU WILL NEED TO PROVIDE A HOLDING DEPOSIT. NOTIFY YOUR BROKER SO THEY CAN ORGANISE A FORMAL APPROVAL AND ORGANISE A SOLICITOR/CONVEYANCER TO FINALISE THE LEGAL WORK.

BUYING.



AUCTIONS.

SO, YOU HAVE FOUND A PROPERTY THAT TICKS ALL THE BOXES. GREAT! NOW YOU NEED TO CONSIDER BUYING IT. THERE ARE A FEW WAYS TO DO THIS THAT WILL DEPEND ON THE VENDOR AND THE ADVICE BY BOTH PARTIES' REAL ESTATE AGENTS.

WHEN YOU THINK ABOUT BUYING A PROPERTY, ALMOST EVERYONE WILL IMAGINE THEMSELVES RAISING THEIR BIDDING STICK AND OUTBIDDING THE OTHER COMPETITION. THIS CAN BE EXTREMELY EXCITING OR INCREDIBLY INTIMIDATING. THE BEST WAY TO APPROACH AN AUCTION IS TO TAKE THE EMOTION OUT OF IT.

CONSIDER THE MOST YOU WOULD BE WILLING TO BID AND STICK TO IT. STARTING WITH A STRONG BID AND INCREASING IN SMALLER INCREMENTS IS A TACTIC MOST FIND HELPFUL. IF YOU THINK YOU MIGHT NOT BE ABLE TO TRUST YOUR EMOTIONS, YOU MAY WANT TO HAVE A FAMILY MEMBER OR EMPLOY A BUYER'S AGENT TO BID FOR YOU.

AUCTIONS ARE NOT THE ONLY WAY TO BUY A HOUSE.

THE PROPERTY MAY HAVE A PRIVATE SALE WITH NO CLOSING DATE. THIS MAY BE NEGOTIATED BETWEEN YOU, THE BUYER, AND THE VENDOR WITH THE HELP OF THEIR REAL ESTATE AGENT. IF THERE IS A CLOSING DATE, A FORMAL WRITTEN LETTER OF OFFER WOULD NEED TO BE SUBMITTED PRIOR.

CONGRATULATIONS.

YOUR OFFER/BID HAS BEEN ACCEPTED AND NOW COMES THE LEGAL PART. THE CONVEYANCING PROCESS IS WHAT FOLLOWS AND WILL WORK IN TWO PARTS: THE EXCHANGE OF THE CONTRACT OF SALE AND THE SETTLEMENT OF THE CONTRACT OF SALE. THIS IS WHERE THE RECOMMENDATION FROM YOUR BROKER FOR A CONVEYANCER WILL BE VITAL TO HELP NAVIGATE THIS PROCESS.

THE CONVEYANCER WILL HELP YOU WITH A FEW STEPS, INCLUDING:

- UNDERSTANDING THE CONDITIONS OF SALE.
- ORGANISING THE PAYMENT OF FEES AND CHARGES INCLUDING STAMP DUTY AND REGISTRATION FEES.
- MAKING SURE ALL RATES INCLUDING COUNCIL AND WATER ARE UP TO DATE.

WHAT IS A CONTRACT OF SALE?

A CONTRACT OF SALE IS A LEGALLY BINDING AGREEMENT WHICH OUTLINES THE TRANSFER OF OWNERSHIP AND OTHER DETAILS, INCLUDING AGREED PRICE OF THE PROPERTY. ONCE THE SELLER AND BUYER HAVE SIGNED THE CONTRACT, THE BUYER WILL HAVE TO PROVIDE A DEPOSIT.

WHAT IS A VENDOR STATEMENT?

THE VENDOR STATEMENT IS A DOCUMENT THAT OUTLINES DETAILS ABOUT THE PROPERTY BEING SOLD INCLUDING; PAYABLE TAXES, BODY CORPORATE FEES, ANY ENCUMBRANCES ON THE PROPERTY AND ANY PLANNING DETAILS ASSOCIATED WITH THE PROPERTY. A CONVEYANCER WILL BE ABLE TO FORMALISE THIS DOCUMENT AND ENSURE ALL INFORMATION IS ACCURATE. THIS STEP IS VERY IMPORTANT AS ANY INCORRECT INFORMATION WILL VOID THE SALE.

IMPORTANT TERMS TO KNOW.

STAMP DUTY

STAMP DUTY IS A TAX THAT IS IMPOSED ON ACQUISITIONS INCLUDING REAL ESTATE, CARS AND ASSETS BELONGING TO A BUSINESS. WHEN IT COMES TO PROPERTY, IT IS THE BUYER WHO PAYS STAMP DUTY. LEGALLY, THIS TAX MUST BE PAID WITHIN 30 DAYS OF THE SETTLEMENT DATE AND CAN VARY FROM STATE TO STATE AS IT IS NOT LEVIED BY THE FEDERAL GOVERNMENT.

TITLE SEARCH

PRIOR TO THE COMPLETION OF A REAL ESTATE TRANSACTION, OWNERSHIP AND CLAIMS REGARDING THE PROPERTY ARE ASSESSED THROUGH A TITLE SEARCH. A CONVEYANCER WILL HELP CARRY THIS OUT.

FUNDING

MAKING SURE YOU HAVE YOUR FINANCES IN ORDER IS VERY IMPORTANT ONCE THE CONTRACT OF SALE HAS BEEN SIGNED. IF THIS IS NOT DONE PROPERLY, SETTLEMENT CAN BE DELAYED. PRE-APPROVAL CAN BE VERY HELPFUL HERE AS YOU WILL NOT HAVE TO WORRY ABOUT SECURING THE LOAN.

SETTLEMENT

SETTLEMENT USUALLY OCCURS BETWEEN 30 AND 90 DAYS BUT CAN SOMETIMES BE NEGOTIATED BETWEEN SELLER AND BUYER FOR BEST TRANSITION.

IT IS IMPORTANT TO MAKE SURE EVERYONE IS ON THE SAME PAGE. A WEEK BEFORE SETTLEMENT, SPEAK WITH THE CONVEYANCER, BROKER AND VENDOR (OR AGENT) AND MAKE SURE ALL IS IN ORDER SO SETTLEMENT IS NOT DELAYED.

SUBJECT TO SALE

AN OFFER ON A PROPERTY WITH THE CONDITION THAT THE BUYER MUST FIRST SELL THEIR OWN PROPERTY. IN THIS INSTANCE, IF YOU WERE TO MAKE AN OFFER WITH THIS STIPULATION, THAT OFFER WILL ONLY BE CONSIDERED ONCE YOUR OWN PROPERTY HAS BEEN SOLD.

SUBJECT TO F.I.R.B

AN OFFER WHERE APPROVAL FROM THE FOREIGN INVESTMENT REVIEW BOARD IS REQUIRED FOR FOREIGN INVESTORS LOOKING TO ACQUIRE PROPERTY IN AUSTRALIA. IT IS A PROCESS WHICH AIMS TO PROTECT OUR NATIONAL INTEREST AND CAN TAKE UP TO 20 BUSINESS DAYS TO BE APPROVED.

SUBJECT TO FINANCE

AN OFFER ON A PROPERTY THAT IS DEPENDENT ON THE BUYER'S HOME LOAN BEING APPROVED BY THEIR LENDER. THE BUYER CAN GENERALLY OPT OUT OF THE SALE IF THE APPROVAL HAS NOT BEEN GRANTED BY A PARTICULAR DATE.

SHARED OWNERSHIP

A SCHEME WHERE YOU CAN BUY A SHARE OF THE PROPERTY (ANYWHERE FROM 10 TO 70 PERCENT) AND PAY RENT ON THE REMAINING PORTION TO THE BUILDING'S HOUSING ASSOCIATION. YOU CAN CHOOSE TO PURCHASE A LARGER PERCENTAGE, CALLED 'STAIRCASING', AND THIS WILL BE BASED ON THE CURRENT MARKET VALUE OF THE PROPERTY.

IF YOU'RE INTERESTED IN FINDING OUT WHAT YOUR OPTIONS ARE, WHAT DEPOSIT YOU NEED OR HOW MUCH YOU CAN BORROW – NO MATTER HOW EARLIER IN THE PROCESS YOU ARE – CONTACT US TO ARRANGE AN APPOINTMENT.

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